

# Mental Health Services Act – Capital Facilities



## State Department of Mental Health

Thursday June 15, 2005

3:00 PM – 4:00 PM

TOLL FREE CALL IN NUMBER: 1-877-366-0714

Verbal Passcode: MHSA

TTY# 1-800-735-2929



# Conference Call Agenda

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- 3:00 Welcome and Purpose of Call – Bobbie Wunsch
- 3:02 Review Agenda and Conference Call Process – Bobbie Wunsch
- 3:05 Overview of Capital Facilities Discussion Document (slides 3-22), Carol Wilkins, CSH
- 3:20 Questions and Answers – Bobbie Wunsch and DMH Staff
- 3:30 (Slides 24-34), Carol Wilkins, CSH
- 3:40 Questions and Answers – Bobbie Wunsch and CHS / DMH Staff
- 3:58 Next Steps – Bobbie Wunsch
- 4:00 Adjourn

# MHSA Funds for Capital Facilities



- Review Purpose of the Draft Document
- How this Draft Document Was Developed
- Capital Facilities Needs and Strategies
- Questions & Answers
- Affordable and Supportive Housing
- Questions & Answers

# Purpose of Draft Document



- To identify a range of appropriate uses for MHSA funds that will be available for capital facilities
- To establish some principles to guide the use of MHSA capital funds
- To provide some definitions and important information to help guide the use of MHSA capital funds to expand housing options for consumers
- To stimulate discussion and obtain feedback from stakeholders

# Capital Facilities and IT



Approximately \$325 million will be available for “capital facilities and technological needs” to implement plans for mental health services over 4 years (FY 05 through FY 08)

Funding to implement local plans for services for children, transition-aged youth, adults and older adults, including prevention and early intervention services

# Capital Facilities Costs may Include (Proposed)



- Purchasing land or buildings
- Construction or rehabilitation costs for buildings or office / meeting spaces
- Adequate reserves for projects to cover gaps in operating costs in future years
- Related “soft” costs for development including strategies to build community acceptance for projects

# What is Not Included in this Draft



- This draft document does not
  - Describe how funds for capital facilities and IT will be allocated among counties
  - Describe how much money will go to capital facilities and how much will go to IT
- Future drafts will include:
  - More specific information about requirements for county requests for capital facilities funding
  - More information about how funds will be provided to counties

# How was this Draft Document Developed?



- Department of Mental Health asked the Corporation for Supportive Housing (CSH) to help develop materials to support the stakeholder process
- CSH is a non-profit organization dedicated to helping communities create permanent housing with services to prevent and end homelessness



# How was this Draft Document Developed?

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- CSH has worked with the State DMH, many CA counties, and other stakeholders to help create supportive housing for people with mental illnesses who are homeless

# Who did We Listen to?



- Focus groups of consumers and family members
- County mental health directors from different parts of the State
- Programs serving homeless people diagnosed with mental illness

# Who did We Listen to?



- People from statewide and regional groups that represent mental health service providers and organizations serving families
- Developers of affordable and supportive housing

# Guiding Principles



## The Same Goal = Transformation

- Decisions about how to use MHSA funds for capital facilities must be guided by the MHSA Vision and Guiding Principles
- Investments in capital facilities should help achieve desired outcomes of MHSA

# Guiding Principles



## The Same Goal = Transformation

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- County's proposed uses of these funds must be aligned with planning for Community Services and Supports
  - Meet identified mental health needs in the community
  - Focus on unserved and underserved individuals and reducing ethnic disparities
  - Support implementation of identified strategies

# Capital Facilities Investments Should:



- Produce long-term impacts with lasting benefits for clients, such as reduction in hospitalization, incarceration, and the use of involuntary services, and increase in housing stability
- Increase the number and variety of community-based facilities supporting integrated service experiences for clients and their families
- Support a range of options that promote consumer choice and preferences, independence, and community integration

# Capital Facilities Investments Should:



- Invest in options that will be available for the long-term, such as housing that will be affordable and dedicated to consumers for many years
- Leverage additional funding from other local, state, and federal sources – and support projects that are financially viable

# Options for Using Capital Facilities Funds

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- Grants
  - Tied to specific outcomes and timelines
  - May cover costs that other capital funding sources won't pay for



# Options for Using Capital Facilities Funds



## ■ Loans

- May be forgiven after facility or housing has been used as intended for specific time (e.g. 20 years)
- May be 0% loan to be repaid from another source of funding for capital costs
- May be partially repaid if funding is available (after covering operating costs) when facility is completed

# Capital Facilities Needs Most Frequently Identified

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Purchase, construction, acquisition and/or rehabilitation costs for community-based facilities that provide:

- Consumer / peer operated wellness & recovery support centers
- Family Resource Centers
- Crisis stabilization and residential care as alternative to hospitalization

# Capital Facilities Needs Most Frequently Identified

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Purchase, construction, acquisition and/or rehabilitation costs for community-based facilities that provide: (cont.)

- Mental health services co-located with community-based services including schools, primary care clinics
- Affordable and supportive housing



# Important Considerations

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- Separate facilities may be needed for adults, youth and young adults, and children – even when addressing similar needs for services and supports
- Facilities that provide opportunities for inter-generational services and supports for families can reduce out-of-home placements for children and facilitate family reunification



# Important Considerations

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- Co-location with other community services and supports can reduce stigma and improve access, facilitate community collaboration, and provide an integrated service experience for clients and their families – but ...
  - What portion of these costs should be paid by MHSA funds?
- De-centralized facilities can offer services in locations that are more accessible to clients and their families



# Questions & Answers

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# Affordable & Supportive Housing

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- Lots of agreement among consumers and family members, county mental health directors and other stakeholders
  - Safe, affordable, stable housing is a foundation for recovery, resiliency, and wellness
  - Reducing homelessness is a major focus of MHSA implementation
  - Consumers and families need a range of housing options



# Priority Populations for Housing

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- Adults with serious mental illness who are homeless or inappropriately housed in restrictive settings
- Youth and young adults diagnosed with SED who are at risk of homelessness
- Families with children/youth diagnosed with SED who are experiencing housing instability or homelessness that interferes with treatment and recovery / resiliency





# Defining Supportive Housing

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- Permanent affordable housing with combined supports for independent living
  - Housing is permanent, meaning each tenant may stay as long as he or she pays rent and complies with terms of lease or rental agreement
  - Housing is affordable, meaning each tenant pays no more than 30% to 50% of household income



# Defining Supportive Housing

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- Permanent affordable housing with combined supports for independent living (cont.)
  - Tenants have access to an array of support services that are intended to support housing stability, recovery and resiliency, but participation in support services is not a requirement for tenancy
  - May be site-based or scattered site
  - Options available for adults who are single, those who choose to share housing, and families with children

# What is Supportive Housing?

## 6 Dimensions of Best Practice

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1. Housing Choice
2. Housing and Services Roles are Distinct
3. Housing Affordability
4. Integration
5. Tenancy Rights / Permanent Housing
6. Services are Recovery-Oriented and Adapted to the Needs of Individuals



# Strategies for Creating More Housing Options for Consumers

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- Development of new buildings
- Acquisition and renovation of existing buildings
- Long-term lease agreements with private landlords for single units or entire apartment buildings (master-leasing)
- Identifying private landlords who rent directly to consumers



# Three Types of Financing for Supportive Housing Costs

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- Capital (land or buildings)
- Operating costs (or rent subsidies)
- Services

MHSA Capital facilities funds may be used for capital costs and/or for capitalized reserve for operating costs of capital projects

MHSA Community Services and Supports funds may be used for operating costs and/or services

# MHSA Funds Can Leverage Other Sources of Funding for Capital Facilities

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Resources available for housing include:

- MHP Supportive Housing and Special Needs Programs (Prop 46 Housing Bond) administered by Department of Housing and Community Development (HCD)
- Special needs loan program from California Housing Finance Agency (CalHFA)
- Low Income Housing Tax Credits

# MHSA Funds Can Leverage Other Sources of Funding for Capital Facilities

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Resources available for housing include: (cont.)

- Federal funding from US Department of Housing and Urban Development (HUD) including Homeless Assistance Programs coordinated through local “Continuum of Care” and resources administered by public housing authorities (PHAs)
- Other resources controlled by City and County governments, which may be coordinated through “10-Year Plans to End Homelessness” or other inter-agency collaborations

# Governor's Chronic Homelessness Initiative Proposed in May Revise



- State Departments of Mental Health, Housing and Community Development, and California Housing Finance Agency come together to leverage housing and services funds
  - Up to \$40 million from Prop 46 Housing Bond funding redirected to provide loans to housing developers
  - \$2 million from State's share of Prop 63 MHSA funds for rent subsidies
  - \$400,000 to establish local collaboratives to assist counties in developing projects to provide stable housing for homeless persons with mental illnesses





## Next Steps

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- June 23 meeting: Capital Facilities Workgroup
- Technical Assistance Documents: MHSA Housing Toolkit (draft will be available later in June)
- July 20 Statewide Conference Call – Capital Facilities
- July 26 meeting: Capital Facilities and IT workgroup

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# Questions & Answers

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